



U.S. Department of Justice

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PRESS RELEASE

**SIX EMPLOYEES OF BIG DIG CONTRACTOR CHARGED
BY FEDERAL GRAND JURY IN 135 COUNT INDICTMENT**

Boston, MA... A multi-count indictment has been returned by a federal Grand Jury, charging six individuals employed by Aggregate Industries NE, Inc., the largest asphalt and concrete supply company in the New England Region, with conspiring to defraud the United States by generating and submitting false records to the Central Artery Tunnel Project ("Big Dig") and mailing fraudulent invoices to general contractors on this government funded highway project.

United States Attorney Michael J. Sullivan, Massachusetts Attorney General Thomas F. Reilly, Theodore L. Doherty III, Special Agent in Charge of the New England Regional Office of the United States Department of Transportation, Office of Inspector General, Kenneth W. Kaiser, Special Agent in Charge of the Federal Bureau of Investigation in New England and Colonel Thomas G. Robbins, Superintendent of the Massachusetts State Police announced today that **ROBERT PROSPERI** age 64 of Lynnfield, MA; **GREGORY A. STEVENSON**, age 53 of Furlong, PA; **JOHN J. FARRAR**, age 43, of Canterbury, CT; **KEITH H. THOMAS**, age 51 of Billerica, MA; **GERARD M. MCNALLY**, age 54, of Rockland, MA and **MARC BLAIS**, age 36 of Lynn, MA were charged today in United States District Court with Conspiracy to Commit Highway Project Fraud and Mail Fraud; Conspiracy to Defraud the Government with Respect to Claims; Making False Statements in Connection with Highway Projects and Mail Fraud.

During the time period alleged in the indictment, **PROSPERI, STEVENSON, MCNALLY, BLAIS, FARRAR** and **THOMAS** were all employed in managerial positions in Aggregate's concrete division. They are charged with highway project fraud and related offenses for their participation in a scheme to provide concrete to Big Dig projects that did not meet contract specifications, and to conceal the true nature of the concrete through false documentation. The Indictment alleges that between 1996 and 2005 the defendants delivered at least 5,000 truckloads of non-specification concrete to the Big Dig. Each truckload comprised approximately ten yards of concrete. This concrete included recycled concrete that was over ninety-minutes old, concrete that had been adulterated with the addition of excess water, and

concrete that was not batched pursuant to Big Dig project specifications.

The Indictment alleges that the defendants recycled “leftover concrete,” i.e. concrete that had not been used by other customers, mixed the leftover concrete with Big Dig project concrete, and delivered this adulterated concrete to the Project. The leftover loads of mixed concrete were dubbed “10-9 loads” by the defendants, and did not meet Big Dig project specifications. The defendants concealed this fraud by falsifying concrete batch slips delivered to Big Dig inspectors and/or representatives of the general contractors at the various construction sites. These false batch reports were relied upon by the Government to determine the quality and amount of concrete placed by the general contractors on the project.

Big Dig project specifications required that concrete must be placed or poured within ninety minutes of batching. In most instances involving these “10-9 loads,” the concrete had exceeded the ninety minute time limit. In order to conceal the true age of the concrete, the defendants directed truck drivers and other Aggregate employees to add water, as well as other ingredients, to the “10-9 loads” to make those loads appear to be freshly batched. Big Dig project specifications also prohibited the addition of water to concrete after the concrete had been batched except under tightly controlled circumstances.

United States Attorney Michael Sullivan said, “The public entrusts us with their hard earned money to fund important public work projects. They should expect that their dollars are protected from fraud, abuse and corruption. There will be no stone left unturned in this investigation. The conduct alleged in today’s indictments is an affront to hard working Americans whose tax dollars fund projects like the Big Dig. We will investigate and when there is evidence, prosecute those who commit fraud and abuse against government programs.”

Special Agent in Charge of the United State Department of Transportation Ted Doherty said, “Unfortunately, fraud involving federally-funded transportation infrastructure projects is a significant concern. Today's indictment and subsequent arrests reflect the commitment of the Department of Transportation and Department of Justice to ferret-out and vigorously prosecute those who seek to cheat the taxpayers--in this case, by supplying substandard concrete to the Central Artery Project. When individuals engage in such conspiracies, the integrity of our critical transportation projects is seriously compromised.”

"Last summer State Police from the Attorney General's Office executed search warrants in response to information that Aggregate was engaged in serious scheming and deception, and that they knowingly delivered concrete that did not meet quality standards. They then turned around and billed the government million of dollars for goods that were literally not delivered upon. We did not get what we paid for. Our joint investigation -- and today's arrests - will be the first step in holding these people who defrauded the Commonwealth accountable," said Attorney General Tom Reilly.

FBI Special Agent in Charge Kenneth Kaiser said, “Approximately one year ago, a newly formed task force was established to specifically look at the patterns and practices of the contractors and suppliers to the Big Dig. We are not done.”

Massachusetts State Police Colonel Thomas Robbins said, “The success of this investigation is a direct result of Massachusetts State Police and agents from the Department of Transportation and FBI working together in order to bring to justice those responsible for committing this fraud on the taxpayers.”

If convicted on these charges, the defendants face maximum penalties of 20 years’ incarceration on each of the mail fraud counts, 10 years’ incarceration on the conspiracy to make false claims against the United States, and 5 years’ incarceration on the conspiracy to commit highway project fraud and mail fraud count, as well as on each highway project fraud count. Each count also carries a period of 3 years’ of supervised release and a maximum fine of \$250,000 fine. Defendants could also face an alternative fine in excess of \$10 million which is twice the loss or, in this case, the amount billed to project contractors by Aggregate pursuant to the fraud.

The case was investigated by Special Agents of the United State Department of Transportation, Office of Inspector General, and Special Agents from the Federal Bureau of Investigation, as well as members of the Massachusetts State Police Assigned to the Massachusetts Attorney General’s Office . It is being prosecuted by Assistant U.S. Attorneys Fred M. Wyshak, Jr. and Anthony E. Fuller of Sullivan’s Public Corruption Unit and Jeffrey M. Cohen of Sullivan’s Civil Division, as well as Assistant Attorney General Denise Barton who has been sworn in as a Special Assistant U.S. Attorney.

The details contained in the Indictment are allegations. The defendants are presumed to be innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

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